



General Assembly

Substitute Bill No. 474

February Session, 2002

**AN ACT CONCERNING TAX AUDITS OF CERTAIN
TELECOMMUNICATIONS SERVICES COMPANIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2002, and applicable to assessment*
2 *years commencing on or after October 1, 2002*) (a) Beginning with the
3 assessment year commencing October 1, 2002, and quadrennially
4 thereafter, the assessor of any town or city shall perform an audit or
5 require a designee of the assessor to perform an audit of any personal
6 property required to be reported pursuant to section 12-80a of the
7 general statutes, for any assessment year except that the assessor may
8 conduct an audit one year earlier if the year for the audit is a year in
9 which a revaluation is to be conducted under section 12-62 of the
10 general statutes. The assessor shall give notice, in writing, to the
11 owner, custodian or other person having knowledge of any such
12 property or the valuation of such property, of the time and place of
13 such audit with respect to such property. Such notice shall be placed in
14 the hands of such person or left at such person's usual place of
15 business or shall be sent to such person by registered or certified mail
16 at the last-known place of business. Such notice shall direct the person
17 named therein to appear before the assessor, or before a designee of
18 said assessor, with books of account, papers, documents and other
19 records for examination under oath relative to any such property or
20 the valuation of such property. The property owner shall provide an
21 inventory of personal property of another taxpayer that is taxed under

22 section 12-80a of the general statutes, and located in the offices of the
23 property owner upon request of the assessor. The methodology used
24 to determine the assessment of such property to which such audit or
25 audits relate shall be the methodology set forth in section 12-80a of the
26 general statutes.

27 (b) Upon completing an audit of property assessed in accordance
28 with this section, the assessor shall send written notification to the
29 property owner. Such notice shall identify any property the assessor
30 believes (1) was erroneously included in the report the owner
31 submitted under section 12-80a of the general statutes, (2) was not
32 included in said report, or (3) was included in said report but was not
33 valued in the manner required by section 12-80a, of the general
34 statutes. Such notice shall be sent not later than thirty business days
35 after such audit is completed. A copy of the notice shall be sent to the
36 Secretary of the Office of Policy and Management.

37 (c) With respect to property discovered to have been included on a
38 report in error, the Secretary of the Office of Policy and Management
39 shall determine the amount of the tax represented by such property
40 and shall deduct such amount from the tax next certified by said
41 secretary, under section 12-80a of the general statutes, as payable to the
42 municipality to which such amount was paid in error. With respect to
43 any other property, the owner shall submit to the secretary, not later
44 than thirty business days after the date of the assessor's notice, an
45 amended report regarding such property or a written notice refuting
46 the findings of the assessor. If the owner submits a written notice
47 refuting such findings, the provisions of this subsection regarding the
48 filing of an amended report shall not become effective until the
49 conclusion of a hearing held pursuant to subsection (d) of this section.

50 (d) (1) An amended report required to be submitted under this
51 section shall reflect the value of any personal property that was not
52 included in the report on which the company's tax, under section 12-
53 80a of the general statutes, was based. If the value of any property
54 included in said report was inaccurate, the amended report shall

55 reflect the correct value of such property. Upon receipt of an amended
56 report, the Secretary of the Office of Policy and Management shall
57 determine the assessment of property included in such amended
58 report, which shall equal seventy per cent of the value of such property
59 plus a penalty equal to twenty-five per cent of said assessment. The
60 secretary shall determine the tax due for such assessment plus penalty,
61 pursuant to section 12-80a of the general statutes, and shall notify the
62 owner to pay the amount due to the municipality not later than thirty
63 days after such notice.

64 (2) If a property owner elects to refute the findings of the assessor
65 with respect to an audit of property that was assessed and taxed under
66 section 12-80a of the general statutes, the owner shall submit a written
67 notice of such election to the assessor, and a copy of the notice shall be
68 sent to the Secretary of the Office of Policy and Management. The
69 notice shall state the reasons why the owner believes the assessor's
70 audit findings are incorrect. Not later than sixty business days after
71 receiving the notice, the assessor shall notify the property owner, in
72 writing, of the time and place of a hearing. The purpose of such
73 hearing shall be to review the assessor's findings and the property
74 owner's response to such findings. The assessor's decision with respect
75 to such findings, including a decision whether or not the property
76 owner is required to file an amended report, shall be issued, in writing,
77 not later than thirty business days after the conclusion of the hearing.
78 Any property owner aggrieved by the assessor's decision may, not
79 later than sixty business days from the date of the mailing of notice of
80 the outcome of such hearing, make application for relief to the superior
81 court for the judicial district in which said owner's property is or was
82 purported to be located, and shall notify the Secretary of the Office of
83 Policy and Management of the filing of such application for relief. Such
84 application shall be accompanied by a citation to the town or city to
85 appear before said court and such appeal shall be returnable at the
86 same time and served and returned in the same manner as is required
87 in the case of a summons in a civil action. The authority issuing the
88 citation shall take from the applicant a bond or recognizance to such

89 town or city, with surety, to prosecute the application to effect and to
 90 comply with and conform to the orders and decrees of the court in the
 91 premises. Any such application shall be a preferred case, to be heard,
 92 unless good cause appears to the contrary, at the first session, by the
 93 Superior Court or by a committee appointed by the court. The
 94 pendency of such application shall not suspend an action by such town
 95 or city to collect not more than seventy-five per cent of the tax assessed
 96 by the Secretary of the Office of Policy and Management with respect
 97 to property upon which such appeal is taken. If, during the pendency
 98 of such appeal, a new assessment year begins, the applicant may
 99 amend the application as to any matter therein, including an appeal for
 100 such new assessment year, which is affected by its inception. The court
 101 shall have power to grant such relief as to justice and equity
 102 appertains, upon such terms and in such manner and form as appear
 103 equitable, and, if the application appears to have been made without
 104 probable cause, may tax double or triple costs, as the case appears to
 105 demand; and, upon all such applications, costs may be taxed at the
 106 discretion of the court. If the assessment originally determined by the
 107 Secretary of the Office of Policy and Management is reduced by said
 108 court, the applicant shall be reimbursed by the town or city for any
 109 overpayment of taxes, together with interest and any costs awarded by
 110 the court, or, at the applicant's option, shall be granted a tax credit for
 111 such overpayment, interest and any costs awarded by the court. Upon
 112 motion, said court shall, in the event of such overpayment, enter
 113 judgment in favor of such applicant and against such city or town for
 114 the whole amount of such overpayment, together with interest and
 115 any costs awarded by the court.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002, and applicable to assessment years commencing on or after October 1, 2002</i>

PD *Joint Favorable Subst.*

APP *Joint Favorable*

FIN *Joint Favorable*